

§ 49.4253-7 Exemption for installation charges.

(a) *In general.* The taxes imposed by section 4251 do not apply to any amount paid as is properly attributable to the installation of any instrument, wire, pole, switchboard, apparatus, or equipment.

(b) *Maintenance charges subject to tax.* The exemption provided by section 4253(g) and paragraph (a) of this section is applicable only to amounts paid for installation. Amounts paid for the repair or replacement of instruments, wires, poles, switchboards, apparatus, or equipment, incidental to ordinary maintenance, are subject to tax.

§ 49.4253-8 Exemption for terminal facilities in case of wire mileage service.

The taxes imposed by section 4251 do not apply to so much of any amount paid for wire mileage service as is paid for, and properly attributable to, the use of any sending or receiving set or device which is station terminal equipment. In general, the term “station terminal equipment” refers to any sending or receiving set or device which is located at the terminals of a line or channel, and does not refer to any such set or device which is otherwise a part of such line or channel.

§ 49.4253-9 Exemption for certain interior communication systems.

(a) *In general.* The taxes imposed by section 4251 do not apply to amounts paid for wire mileage service or wire and equipment service, if such service is rendered through the use of an interior communication system.

(b) *Interior communication system.* The term “interior communication system” means any system:

(1) No part of which is situated off the premises of the subscriber, and which may not be connected, directly or indirectly, with any communication system any part of which is situated off the premises of the subscriber; or

(2) Which is situated exclusively in a vehicle of the subscriber and which is not connected with a communications system.

(c) *Examples.* The following are examples of interior communication systems:

(1) Burglar, fire, or other alarm service, where the service consists of lines or channels and equipment which are contained solely in the building of the subscriber, and by means of which an alarm is sounded in the building in the case of illegal entry, fire, leakage, etc.

(2) Metering services, including lines or channels and equipment, furnished between two points which are located upon the subscriber's property, and which are not separated by property not owned or leased by the subscriber, over which signals are transmitted so that the subscriber may obtain information as to a given condition at one of the points, such as water level, water pressure, gas pressure, etc.

§ 49.4253-10 Exemption for certain private communications services.

(a) *In general.* The tax imposed by section 4251 on amounts paid for general telephone service does not apply to amounts paid for any such service furnished on or after January 1, 1963, to the extent that the amounts paid are for use of any telephone or radio telephone line or channel (including equipment, instruments, and other apparatus furnished exclusively for use in connection with the line or channel) in the conduct of a trade or business when such line or channel is furnished between specified locations in different States or between specified locations in different counties, municipalities, or similar political subdivisions of a State. The term “trade or business” as used in this section includes activities of organizations which are conducted with no purpose of gain or profit. A line or channel is considered to be furnished between specified locations only when the line or channel connects preselected points without the use of switching functions performed by a communications company exchange. Where an amount is paid which includes a charge for such a line or channel and also a charge for the service provided by means of switching functions performed by a communications company exchange, the exemption is applicable only to that portion of the amount so paid as is attributable to such a line or channel. The preselected points must be located in different States or in different counties or municipalities of the same State. If the preselected points are located in a